

Message Text

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FM AMEMBASSY TAIPEI

TO SECSTATE WASHDC 9556

INFO AMEMBASSY MANILA

AMEMBASSY SEOUL

AMEMBASSY TOKYO

AMCONSUL HONG KONG

USLO PEKING

CINCPAC HONOLULU HI

S E C R E T SECTION 1 OF 4 TAIPEI 3270

LIMDIS

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SUBJECT: SPECULATIONS ON THE DOMESTIC POLITICAL FUTURE OF THE
REPUBLIC OF CHINA, PART II: 1978 AND BEYOND

REF: A) TAIPEI 1675, B) TAIPEI 2800

CINCPAC FOR POLAD

1. INTRODUCTION AND SUMMARY: PREMIER CHIANG CHING-KUO
(CCK) IS THE DOMINANT FIGURE ON THE POLITICAL STAGE IN
TAIWAN, AND HIS DEATH WOULD HAVE FAR-REACHING IMPLICATIONS
BOTH FOR THE CENTRAL LEADERSHIP OF THE GROG AND FOR THE
FUTURE OF TAIWAN ITSELF. IN REF A (PART I OF THIS SERIES)
THE EMBASSY DISCUSSED HOW AND TO WHOM POWER MIGHT BE
DISTRIBUTED AND THE LIKELY IMPACT OF CHANGES IN THE POWER
STRUCTURE ON BASIC DOMESTIC AND FOREIGN POLICY ISSUES IF
CCK SHOULD DIE BEFORE 1978, THE YEAR IN WHICH THE NATIONAL

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ASSEMBLY IS SCHEDULED TO CONVENE AND ELECT A PRESIDENT AND

VICE PRESIDENT. THIS MESSAGE IS AN EVEN MORE SPECULATIVE ASSESSMENT WHICH DISCUSSES THE PREMIER'S OPTIONS REGARDING SUCCESSION SHOULD HE LIVE BEYOND 1978. IT SUGGESTS THAT THE ROAD HE IS MOST LIKELY TO FOLLOW IS TO DESIGNATE AT LEAST TACITLY A POTENTIAL SHORT-TERM SUCCESSOR TO ACT AS A CARETAKER IN THE EVENT OF HIS EARLY DEATH WHILE AT THE SAME TIME GROOMING ONE OR MORE YOUNGER MEN AS POTENTIAL LONG-TERM HEIRS-APPARENT.

2. THIS MESSAGE ALSO POINTS TO AREAS THAT WE SHOULD BE WATCHING CAREFULLY IN SEEKING TO IDENTIFY POTENTIAL DESIGNEES AS SHORT-TERM AND LONGER-TERM SUCCESSORS AND CONCLUDES THAT AT THE TIME OF THE NEXT MEETING OF THE NATIONAL ASSEMBLY, THE PREMIER WILL BE FORCED TO MAKE MOVES WHICH WILL INDICATE HOW HE INTENDS TO HANDLE THE SUCCESSION PROBLEM. FINALLY, IT POINTS TO THE DIFFICULTIES CCK MAY FACE IN SEEKING AN ABLE SUCCESSOR AS WELL AS TO THE THREAT TO TAIWAN'S CONTINUED STABILITY WHICH MIGHT BE POSED SHOULD CCK DIE DURING A CRITICAL PERIOD, SUCH AS IMMEDIATELY BEFORE OR AFTER THE US COMPLETES THE NORMALIZATION OF ITS RELATIONS WITH PEKING. END SUMMARY.

3. ASSUMPTIONS: IN PREPARING THIS ASSESSMENT WE HAVE MADE THE FOLLOWING ASSUMPTIONS:

A. WHATEVER CHANGES MAY TAKE PLACE IN THE US/ROC OFFICIAL DIPLOMATIC RELATIONSHIP, THE US WILL ACT SO AS TO MINIMIZE THE DANGER OF INTERNAL POLITICAL DESTABILIZATION ON TAIWAN.

B. ALTHOUGH IT WILL CONTINUE TO CALL FOR THE "LIBERATION" OF TAIWAN, THE PRC WILL NOT SERIOUSLY THREATEN THE ISLAND MILITARILY.

C. TAIWAN WILL CONTINUE TO PROSPER ECONOMICALLY, ALTHOUGH THE PRC WILL CONTINUE ITS EFFORTS TO ISOLATE THE ROC.

D. THE BASIC CONSTITUTIONAL AND POWER STRUCTURE OF THE GROC WILL REMAIN UNCHANGED.

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THE PROBLEMS OF SUCCESSION

4. AS DISCUSSED IN REF A, THE GOVERNMENT OF THE REPUBLIC OF CHINA (GROC) AT PRESENT HAS ONLY ONE SIGNIFICANT POWER CENTER -- PREMIER CHIANG CHING-KUO (CC), AND THERE IS NO ONE PRESENTLY INSIGHT WHO COULD IMMEDIATELY FILL THE PERSONAL POWER VACUUM RESULTING FROM HIS DEATH OR INCAPACITATION. THIS MAY BE IN PART A RESULT OF CCK'S STYLE, FOR HE

DOES NOT SHARE THE RESPONSIBILITY OF DECISION-MAKING WITH ANYONE. IN MAKING POLICY DECISION CCK MAY CONSULT WITH ONE OR MORE OF THE DOZEN OR SO MEN ON WHOM HE RELIES AS ADVISERS. BUT WHEN SEEKING ADVICE HE DOES NOT LIMIT HIS CONSULTATIONS TO THOSE WHO HAVE A SPECIALTY IN THE AREA UNDER DISCUSSION; A FOREIGN POLICY SPECIALIST MAY UNEXPECTEDLY BE ASKED TO GIVE HIS VIEWS ON SOME ASPECT OF THE TEN MAJOR PROJECTS; OR AN ECONOMIST MAY BE CONSULTED ABOUT SOME DOMESTIC SOCIAL PROBLEM.

5. IN THE END, HOWEVER, THE PREMIER DECIDES, AND NO ONE HAS YET TO PROVIDE US WITH AN ACCURATE DESCRIPTION OF ALL THAT ENTERS INTO HIS MAKING OF A DECISION. WHAT IS CLEAR IS THAT NO SINGLE SPECIALIST IN ANY FIELD CAN RELY ON GETTING CCK'S UNDIVIDED EAR ON A QUESTION THAT WOULD NORMALLY BE CONSIDERED TO FALL INTO THAT SPECIALIST'S BAILIWICK. MOREOVER, THERE IS NO EVIDENCE OF CRONYISM: NONE OF CCK'S ADVISERS APPEARS TO HAVE ANYTHING MORE THAN A PROFESSIONAL, ALMOST IMPERSONAL, RELATIONSHIP WITH THE PREMIER.

6. GIVEN THE PREMIER'S OVERWHELMING ASCENDANCY IN THE POWER STRUCTURE, ULTIMATE POWER ON TAIWAN WILL ALMOST CERTAINLY REMAIN EXCLUSIVELY IN CCK'S HANDS UNTIL HE DIES OR IS OTHERWISE INCAPACITATED. AS A RESULT, NO MATTER WHETHER CCK DIES TWO YEARS OR TEN YEARS FROM NOW, IT IS UNLIKELY THAT HE WILL HAVE AN OBVIOUS SUCCESSOR TO POWER UNLESS HE CONSCIOUSLY DECIDES TO GROOM ONE.

7. IN LOOKING TOWARD THE FUTURE, THE EMBASSY SEES THREE POSSIBLE PATHS WHICH CCK MIGHT FOLLOW SINGLY OR IN COMBINATION IN CONSIDERING WHETHER AND HOW TO GRAPPLE WITH THE QUESTION OF A SUCCESSOR: HE MAY (A) DECIDE TO DO NOTHING, RECOGNIZING THE DIFFICULTIES HE WOULD FACE IN ATTEMPTING TO
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DESIGNATE A SUCCESSOR WHO WOULD BE ACCEPTABLE TO THE PARTY AND OTHER POTENTIAL POWER-WIELDERS, AND FEARING THE DANGERS TO HIS OWN AUTHORITY A DESIGNATED SUCCESSOR COULD POSE; (B) BEGIN TO SEEK AND GROOM ONE OR MORE POTENTIAL SUCCESSORS IN AN ATTEMPT TO FORESTALL POLITICAL DISCONTINUITY RESULTING FROM HIS DEATH; OR (C) SEEK TO BROADEN OR DECENTRALIZE THE POWER STRUCTURE, THEREBY HOPING TO ELIMINATE THE NEED FOR A SINGLE STRONG MAN.

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OPTION I: TO DO NOTHING

8. A NUMBER OF CONSIDERATIONS WOULD ARGUE FOR CCK'S DECIDING AGAINST ATTEMPTING TO DESIGNATE A SUCCESSOR. MOST IMPORTANT OF THESE IS THE DIFFICULTY IN SELECTING AN HEIR-APPARENT WHO WOULD BE ACCEPTABLE BOTH TO IMPORTANT ELEMENTS IN THE KMT AND AMONG THE MILITARY AND SECURITY SERVICES (PRIMARILY MAINLANDERS),A AS WELL AS TO THE TAIWANESE MAJORITY OF THE POPULACE. BECAUSE OF THE PRESENTLY RELATIVELY QUIESCENT, BUT STILL SENSITIVE ISSUE OF TAIWANESE/MAINLANDER RELATIONS, IF CCK APPEARS TO BE GROOMING A MAINLANDER FOR SUCCESSION TO POWER, HE WOULD PROBABLY LOSE SOME OF THE TAIWANESE SUPPORT HE HAS GARNERED IN RECENT YEARS AND WOULD APPEAR IN THE EYES OF MOST TAIWANESE TO REVERSE A TREND WHICH IMPLICITLY PROMISES ULTIMATE POWER TO THE MAJORITY ON THE ISLAND. CONVERSELY, IF CCK WERE TO SELECT A TAIWANESE, HE WOULD
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PROBABLY ALIENATE A BLOC OF MAINLANDER SUPPORTERS --

MOST LIKELY THE CONSERVATIVE ELEMENTS IMPORTANT TO HIM
WITHIN THE PARTY AND THE MILITARY AND SECURITY APPARATUS.

9. TIMING OF ANY ENDORSEMENT (TACIT OR PUBLIC) OF A
SUCCESSOR COULD ALSO BE A CRITICAL ISSUE. IF CCK SHOULD MOVE
TOO QUICKLY, HIS OWN POSITION COULD BE SERIOUSLY WEAKENED.
HOWEVER, SHOULD HE MOVE TOO SLOWLY HE MIGHT FIND IT DIFFICULT
TO OBTAIN SUPPORT FOR HIS HEIR-APPARENT FROM OTHER POTENTIAL
POWER-WIELDERS BEFORE HIS DEATH. WITHOUT SUCH SUPPORT, THE
NAMING OF AN HEIR-APPARENT COULD HAVE THE NEGATIVE RESULT
OF ADDING TO POLITICAL DISSENSION FOLLOWING CCK'S DEATH
RATHER THAN OF EASING IT.

10. SHOULD CCK, AS A RESULT OF THE ABOVE CONSIDERATIONS,
NOT CHOOSE TO DESIGNATE A SUCCESSOR IN CONNECTION WITH
GOVERNMENTAL CHANGES IN 1978 OR THEREAFTER, WE WOULD EXPECT
THE SITUATION AFTER HIS DEATH TO DEVELOP ALONG LINES SIMILAR
TO THOSE DESCRIBED IN REF A. THAT IS, THE KMT CENTRAL
STANDING COMMITTEE (CSC) WOULD BECOME THE FOCAL POINT FOR
THE BROKERING OF POWER. CONTROL OF THE GOVERNMENT WOULD BE
DIFFUSED AMONG A COLLECTIVE LEADERSHIP WHOSE MEMBERSHIP WOULD
INCLUDE THE MEMBERS OF THE CSC AND A SPRINKLING OF OTHERS,
INCLUDING SOME FROM THE MILITARY AND SECURITY APPARATUS.

11. OVER TIME, THE IDENTITIES OF SOME OF THE MEMBERS OF
SUCH COLLECTIVE LEADERSHIP MAY CHANGE. IN PARTICULAR, WE
WOULD EXPECT SOME OF THE MAINLANDERS WHO ARE CCK MEN, SUCH
AS LI HUAN (2621/3562) AND WANG SHENG (3769/2573), WILL HAVE
STRENGTHENED THEIR POWER BASES AS TIME GOES BY AND AS THEIR
PROTEGES MOVE INTO POSITIONS OF GREATER INFLUENCE. TAIWANESE
ARE ALSO MORE LIKELY TO PLAY AN INCREASINGLY IMPORTANT,
ALTHOUGH STILL SECONDARY, ROLE IN A POST-CCK COLLECTIVE
LEADERSHIP THE FURTHER WE MOVE INTO THE FUTURE. BUT
NONE OF THE POTENTIAL POWER-WIELDERS IS LIKELY TO BE IN A
POSITION TO ESTABLISH HIS PERSONAL PRIMACY IMMEDIATELY AFTER
CCK'S DEATH. THEREFORE, ONLY WITH THE PASSAGE OF TIME
MIGHT WE SEE THE EMERGENCY OF A NEW STRONG MAN IN THE CCK
AND CCK TRADITION.

OPTION II: TO BEGIN GROOMING A SUCCESSOR

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12. AS NOTED ABOVE, A NUMBER OF FACTORS ARGUE AGAINST AN
EARLY DECISION BY CCK TO GROOM A SUCCESSOR; AT THE SAME
TIME, THERE APPEAR TO BE EQUALLY PERSUASIVE CONSIDERATIONS
WHICH WOULD COMPEL HIM TO SEEK A POTENTIAL SUCCESSOR IN THE
NEAR FUTURE. DURING THE FOUR YEARS HE HAS BEEN IN OFFICE,
CCK HAS DEMONSTRATED A DELIBERATE SENSE OF DIRECTION. A
CHOSEN SUCCESSOR, FIRMLY ENTRENCHED BEFORE HIS DEATH, WOULD

APPEAR TO BE THE BEST MEANS OF ENSURING THAT CCK'S POLICIES, PROGRAMS, AND GOALS ARE NOT ABANDONED WHEN HE PASSES FROM THE SCENE.

13. TO ACCOMPLISH THIS OBJECTIVE CCK MUST MOVE QUICKLY, FOR HE IS NO 65 YEARS OLD AND HAS A HISTORY OF DIABETES. IN THE BEST OF CIRCUMSTANCES HE IS UNLIKELY TO LIVE BEYOND THE MID 1980'S; AND, IF HE MAINTAINS HIS PRESENT LEVEL OF ACTIVITY, HIS LIFESPAN COULD BE CONSIDERABLY SHORTER. CONSEQUENTLY, CCK MAY ALSO SEE SOME ADVANTAGE IN GROOMING A SUCCESSOR WHO, DURING CCK'S LIFESPAN, COULD GRADUALLY ASSUME SOME OF THE BURDENS OF LEADERSHIP, SIMILAR TO THE RELATIONSHIP BETWEEN CCK AND HIS FATHER DURING THE LATTER'S FINAL YEARS, AND BE READY TO TAKE OVER WITH THE ACQUIESCENCE AT LEAST OF THE KMT CSC UPON CCK'S DEATH OR INCAPACITATION.

14. GIVEN HIS OWN EXPERIENCE OF BEING GROOMED OVER MANY YEARS TO SUCCEED HIS FATHER, CCK PROBABLY RECOGNIZES THAT A SMOOTH AND ORDERLY TRANSITION OF POWER TO AN UDERSTUDY TAKES TIME AND CAREFUL PLANNING.THEREFORE, HE CANNOT AFFORD TO DELAY MUCH LONGER IF HE HOPES TO CONSOLIDATE HIS HEIR-APPARENT'S CLAIM TO POWER BEFORE HIS OWNDEATH INTER-VENES.

15. SHOULD CCK, ON THE BASIS OF THESE CONSIDERATIONS AND DESPITE THE DIFFICULTIES MENTIONED EARLIER, DECIDE TO DESIGNATE A SUCCESSOR, HE MAY A) SELECT A SHORT-RUN CARE-TAKER SUCCESSOR FROM THOSE MAINLANDERS ALREADY WELL-KNOWN, B) SEEK A LONGER-TERM HEIR-APPARENT FROM AMONG YOUNGER MAINLANDERS OR TAIWANESE, OR C) DO BOTH.

A SHORT-TERM CARETAKER SUCCESSOR

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16. SHOULD CCK OPT FOR A SHORT-RUN CARETAKER SUCCESSOR, HE IS LIKELY TO CHOOSE ONE OF THE ALREADY WELL-KNOWN OLDER MAINLANDERS WHOM HE CONSIDERS POLITICALLY RELIABLE. AMONG THE POSSIBLE CANDIDATES ARE TECHNOCRATS SUCH AS FINANCE MINISTER LI KUO-TING (2621/0948/7844)(PROBABLY NOW RULED OUT BECAUSE OF HIS RECENT HEART ATTACK), EDUCATION MINISTER CHIANG YEN-SHIH, 5592/1750/1102, (WHO IS, HOWEUVER, AT LEAST TEMPORARILY UNDER A CLOUD BECAUSE OF PERSONAL PECCADILLOS), SUN YUN-HSUAN (1327/6663/3894), MINISTER OF ECONOMIC AFFAIRS, AND YU KUO-HUA (0205/0948/5478), THE GOVERNOR OF THE CENTRAL BANK OF CHINA. ANOTHER POSSIBILITY IS FORMER FOREIGN MINISTER AND AMBASSADOR TO WASHINGTONCHOU SHU-KAI (0719/2579/2818), WHO SOME HAVE SUGGESTED IS ALREADY BEING GROOMED BY CCK FOR THE PREMIERSHIP. WE NOTE HE HAS FREQUENTLY

BEEN IN COMPANY WITH CCK LATELY AND HAS TRAVELED WITH HIM
THROUGHOUT THE ISLAND TO INSPECT MANY DOMESTIC PROJECTS.

17. THE ADVANTAGES IN SELECTING ONE OF SUCH MEN AS A
SUCCESSOR ARE OBVIOUS: WITHOUT POWER BASES OF THEIR OWN,
THEY ARE UNLIKELY TO ATTEMPT TO UNDERMINE CCK, AND AS
"HIS MEN" ARE MORE LIKELY TO SEEK TO CARRY OUT HIS POLICIES
AFTER HIS DEATH. MOREOVER, AS ALREADY WELL-KNOWN ESTABLISH-
MENT FIGURES, THEY STAND A REASONABLE CHANCE OF GAINING THE
TACTI ENDORSEMENT OF THE PARTY AND THE MILITARY AND
SECURITY HIERARCHIES, AT LEAST OVER A TRANSITION PERIOD.

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18. IT IS, OF COURSE, POSSIBLE THAT A SHORT-TERM CARETAKER
SUCCESSOR, ONCE IN POWER, WILL DISPLAY QUALITIES OF LEADER-
SHIP PRESENTLY INDISCERNIBLE BECAUSE OF CCK'S OVER-
SHADOWING STATURE. THUS, THE SHORT-TERM SUCCESSOR COULD
UNEXPECTEDLY TURN OUT TO BE A LONGER-TERM LEADER.

19. HOWEVER, WE ARE INCLINED TO BELIEVE THAT THE SELECTION OF SUCH A MAN WOULD PROBABLY OFFER ONLY A SHORT-TERM SOLUTION TO THE QUESTION OF SUCCESSION NOT ONLY BECAUSE NEARLY ALL OF THE MEN WHO FIT THE ABOVE REQUIREMENTS ARE NEARLY AS OLD AS CCK, BUT ALSO BECAUSE THEY HAVE NO POWER BASE OF THEIR OWN. THEY ARE UNLIKELY TO BE ABLE TO DO MORE THAN FUNCTION AS SIMPLE CARETAKERS OF GOVERNMENT DURING THE TIME THAT REAL POWER IS BEING BROKERED BY THE VARIOUS POTENTIAL POWER-WIELDERS IN THE PARTY AND THE MILITARY AND SECURITY APPARATUS.

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A LONGER-RUN HEIR-APPARENT

20. SHOULD CCK DECIDE INSTEAD TO BEGIN GROOMING LONGER-RUN POTENTIAL HEIRS-APPARENT, HE MAY ENCOUNTER DIFFICULTY IN IDENTIFYING THEM AMONG THE PRESENT SECOND-GENERATION GOVERNMENT OR PARTY OFFICIALS. THERE ARE FEW YOUNG MAINLANDERS WHO STAND OUT AS POTENTIAL SECOND GENERATION LEADERS IN TAIWAN AND FEWER, IF ANY, TAIWANESE OFFICIALS WHO APPEAR TO HAVE THE CAPABILITY OF ACHIEVING THE STATURE OR ABILITY TO GOVERN WITHIN THE NEXT DECADE. MOST TAIWANIZATION THAT HAS TAKEN PLACE TO DATE HAS BEEN AT THE LOWER LEVELS IN THE GOVERNMENT AND THE PARTY. FURTHERMORE, TO SUCCESSFULLY GROOM A YOUNGER MAN AS AN ULTIMATE SUCCESSOR WOULD PROBABLY REQUIR MORE TIME THAN CCK CAN REALISTICALLY EXPECT TO HAVE. UNDER SUCH CIRCUMSTANCES, IT WOULD APPEAR UNREALISTIC TO SPECULATE ON THE IDENTITIES OF POSSIBLE CANDIDATES FOR A LONGER-TERM SUCCESSOR AMONG THE YOUNGER GENERATION.

OPTION III: TO "DEMOCRATIZE" THE POWER STRUCTURE

21. THE EMBASSY HAS OCCASIONALLY ENCOUNTERED THE SUGGESTION THAT INSTEAD OF SEEKING TO GROOM A MAN TO SUCCEED HIM WHO WOULD BE EXPECTED TO EXERCISE POWER IN THE SAME WAY, CCK WILL OPT FOR BROADENING OR DECENTRALIZING THE POWER STRUCTURE. THIS IDEA, DESCRIBED AS "DEMOCRATIZATION," IS MOST OFTEN MENTIONED BY TAIWANESE, BUT IS ALSO OCCASIONALLY SUGGESTED BY YOUNG MAINLANDERS AS WELL. THE TERM "DEMOCRATIZATION" IS USUALLY USED AS IF SYNONYMOUS WITH "TAIWANIZATION." THE 1972 AMENDMENT TO THE TEMPORARY PROVISIONS OF THE CONSTITUTION WHICH PROVIDED FOR THE ELECTION AND RE-ELECTION OF ADDITIONAL REPRESENTATIVES TO THE CENTRAL PARLIAMENTARY BODIES SET THE STAGE FOR SUCH A PROCESS. ALTHOUGH THE NUMBER ELECTED UNDER THIS AMENDMENT IS STILL SMALL, IT PROVIDES A MECHANISM THROUGH WHICH THE PREMIER COULD ACT TO TAIWANIZE AND DEMOCRATIZE THE EXISTING LEGISLATIVE BODIES AS THE OLDER MAINLANDERS ELECTED IN THE LATE 1940'S AND PRESENTLY HOLDING

THE VAST MAJORITY OF SEATS IN THESE BODIES GRADUALLY PASS FROM THE SCENE.

22. THOSE WHO HOPE FOR "DEMOCRATIZATION" SEE CCK MOVING
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TO THE PRESIDENCY IN 1978 AND APPOINTING A NEW PREMIER WHO WOULD GRADUALLY BE GIVEN AN INCREASINGLY GREATER SHARE OF RESPONSIBILITY. IN THIS SCENARIO CCK WOULD ALSO CHANGE EXISTING REGULATIONS, BUT NOT THE CONSTITUTION NOR EXISTING LAWS, IN ORDER TO ELECT MORE MEMBERS TO THE CENTRAL PARLIAMENTARY BODIES (CONTROL YUAN, NATIONAL ASSEMBLY, AND LEGISLATIVE YUAN) WHO WOULD BE SUBJECT TO RE-ELECTION. THE HOPED FOR -- ALTHOUGH, IN OUR VIEW, IMPROBABLE --RESULT WOULD BE THE GRADUAL DEVELOPMENT OF A PARLIAMENTARY SYSTEM OF GOVERNMENT RESPONSIVE, THROUGH TRIENNIAL LEGISLATIVE YUAN ELECTIONS, TO THE PEOPLE. CCK PRESUMABLY WOULD ALSO ALLOW ELECTION OF ADDITIONAL MEMBERS TO THE NATIONAL ASSEMBLY AND THE CONTRL YUAN IN ORDER TO ALLOW THESE ORGANIZATIONS TO FULFILL THEIR CONSTITUTIONAL ROLE AS A CHECK ON GOVERNMENT PERFORMANCE.

23. BUT IT WOULD BE ALMOST IMPOSSIBLE TO ESTABLISH A WESTERN-STYLE DEMOCRACY ON TAIWAN WITHOUT ELIMINATING OR EXTENSIVELY MODIFYING THE KUOMINTANG AS IT EXISTS TODAY. WHILE CCK DOES APPEAR TO BE ATTEMPTING TO MAKE THE PARTY AND GOVERNMENT MORE RESPONSIVE TO THE PEOPLE, WE DO NOT BELIEVE HE IS PREPARED TO -- OR CAN -- ESTABLISH A TRUE MULTI-PARTY DEMOCRACY ON TAIWAN DURING HIS LIFETIME.

CONCLUSION AND POINTERS FOR FUTURE ANALYSIS

24.ON BALANCE, WE BELIEVE THAT WHILE CCK WILL RECOGNIZE THE DANGERS OF SEEKING TO DESIGNATE A SUCCESSOR AND MAY ATTEMPT TO BROADENTHE POWER STRUCTURE TO A LIMITED EXTENT,HE WILL NONETHELESS FEEL CONSTRAINED TO DESIGNATE A SHORT-TERM CARETAKER SUCCESSOR TO GUARD AGAINST HIS EARLY DEMISE. AT THE SAME TIME HE MAY BEGIN GROOMING ONE OR MORE POTENTIAL LONGER-TERM HEIRS-APPARENT EVENTHOUGH HE MUST RECOGNIZE THAT IT IS UNLIKELY THAT ANY OF THEM WILL BE IN A POSITION TO FULLY TAKE OVER THE REINS OF POWER AT THE TIME OF HS DEATH OR INCAPACITATION. HE IS UNLIKELY HOWEVER, TO ENDORSE ANY DESIGNEE PUBLICLY AT AN EARLY TIME SINCE SUCH ACTION MIGHT TEND TO UNDERMINE HIS OWN AUTHORITY, ALIENATE OTHER POTENTIAL POWER-WIELDERS, AND INCREASE ANXIETIES OVER THE FUTURE OF TAIWAN BY FORCING THE LOCAL POPULACE TO
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THINK ABOUT A TAIWAN WITHOUT CCK. NONETHELESS, IF HE IS TO GAIN FOR HIS DESIGNEE THE ENDORSEMENT OF THE PARTY AND THE MILITARY AND SECURITY APPARATUS CCK MUST AT LEAST TACITLY SIGNAL HIS CHOICE OR CHOICES WITHIN THE NEXT FEW YEARS.

25. CHANGES IN ANY OF FOUR AREAS MAY PROVIDE CLUES TO THE IDENTIFICATION OF THE CHOSEN CANDIDATE(S) -- THE CONSTITUTIONAL SEATS OF NATIONAL AUTHORITY, THE CABINET, THE PARTY, AND THE MILITARY AND SECURITY APPARATUS. OF THESE, CHANGES IN THE OFFICE-HOLDERS OF THE CONSTITUTIONAL SEATS OF NATIONAL AUTHORITY WILL PROBABLY PROVIDE THE CLEAREST INDICATION OF WHAT CCK HAS IN MIND FOR THE FUTURE.

THE CONSTITUTIONAL SEATS OF NATIONAL AUTHORITY

26. IN THE EMBASSY'S VIEW CCK MUST SHOW HIS HAND NO LATER THAN THE 1978 NATIONAL ASSEMBLY SESSION. AT THAT TIME AT LEAST ONE AND PROBABLY TWO NEW MEN WILL TAKE NATIONAL OFFICE. A NEW VICE PRESIDENT MUST BE SELECTED, AND PROBABLY A NEW PRESIDENT. PRESIDENT YEN CHIA-KAN WILL BE 73 YEARS OLD THEN AND IS LIKELY TO RETIRE, VOLUNTARILY OR OTHERWISE. PREMIER CHIANG CAN EITHER RUN FOR PRESIDENT OR REMAIN AS PREMIER. HE WILL NEED TO SELECT A VICE PRESIDENT AND SOMEONE TO FILL WHICHEVER OFFICE HE LEAVES VACANT. ONE OR BOTH OF THESE INDIVIDUALS WILL PROBABLY BE AMONG THE LEADING CONTENDERS FOR RECOGNITION AS CCK'S IMMEDIATE SUCCESSOR.

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27 IN OUR VIEW CCK IS LIKELY TO MOVE INTO THE PRESIDENCY. AS A GESTURE TO THE TAIWANESE, HE COULD SELECT AN AGING TAIWANESE SUCH AS GOVERNOR HSIEH TUNG-MIN (6200/2639/7036) OR VICE PREMIER HSU CHING-CHUNG (1776/1987/6988) AS HIS VICE PRESIDENT. BUT HE MAY DECIDE INSTEAD TO SELECT A MAINLANDER SINCE UPON HIS DEATH THE VICE PRESIDENT, UNDER THE CONSTITUTION, WILL AUTOMATICALLY ASSUME THE PRESIDENCY. A TAIWANESE PRESIDENT COULD GENERATE DISCUSSION OF BASIC NATIONAL QUESTIONS SUCH AS WHETHER TO RENOUNCE CLAIMS TO THE MAINLAND AND CONTINUE AS A GOVERNMENT OF TAIWAN ONLY. THE RAISING OF SUCH ISSUES COULD BE DESTABILIZING.

28. THE NEW PREMIER COULD BE A TAIWANESE; HOWEVER, IT IS MORE LIKELY THAT HE WOULD BE A MAINLANDER BECAUSE OF THE CONSIDERATIONS STATED ABOVE. IN THESE CIRCUMSTANCES THE VICE PREMIERSHIP WOULD PROBABLY CONTINUE TO BE HELD BY THE
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INCUMBENT, HSU CHING-CHUNG, OR SOME OTHER AGING TAIWANESE.

29. ANOTHER, BUT LESS LIKELY POSSIBILITY, IS THAT CCK WILL CHOOSE TO REMAIN AS PREMIER IN 1978 WHILE ALLOWING PRESIDENT YEN, OR ANOTHER AGING MAINLANDER, TO BE ELECTED PRESIDENT. UNDER THESE CIRCUMSTANCES, THE POSITIONS TO WATCH WOULD BE THE VICE PRESIDENCY AND THE VICE PREMIERSHIP, ALTHOUGH THE LATTER IS LIKELY TO CONTINUE TO BE HELD BY A TAIWANESE.

30. WHICHEVER OF THE ABOVE COURSES CCK CHOOSES TO FOLLOW, HE IS LIKELY TO INSTALL MAINLANDERS OF HIS CHOICE IN AT LEAST ONE AND PROBABLY TWO OF THE FOUR HIGHEST CONSTITUTIONAL SEATS OF POWER. THESE MEN, WHO WILL PROBABLY BE SELECTED FROM AMONG THOSE ALREADY ESTABLISHED AS CCK MEN SUCH AS CHIANG YEN-SHIH AND CHOU SHU-KAI, ARE LIKELY TO BE TOTALLY THE CREATURES OF CCK SINCE THEY HAVE NO POWER BASES OF THEIR OWN. HOWEVER, UPON CCK'S DEATH THEY WILL ALMOST CERTAINLY BE THE LEADING CONTENDERS TO SUCCEED HIM.

THE PARTY

31. CHANGES IN THE HIGHEST LEVELS OF THE PARTY MAY PROVIDE EVEN EARLIER, ALTHOUGH LESS CERTAIN, INDICATIONS OF THE PREMIER'S INTENTIONS. IT IS LIKELY THAT THE KMT NATIONAL PARTY CONGRESS SCHEDULED TO OPEN NOVEMBER 12, 1976, WILL ELECT A NEW CENTRAL COMMITTEE, WHICH IN TURN WILL ELECT A NEW CENTRAL STANDING COMMITTEE. THE DROPPING OF OLDER FACES AT THAT TIME WOULD ARGUE AGAINST THEIR CHANCES OF BEING NAMED SHORT-TERM SUCCESSORS, WHILE ADDITION OF ANY NEW FACES WOULD BE EVIDENCE OF CCK'S FAVOR AND POSSIBLY OF SUPPORT IN THE PARTY.

THE CABINET

32. CABINET SHIFTS, WHICH ARE POSSIBLE AT ANY TIME BUT ALMOST CERTAIN BEFORE 1978, WILL PROBABLY BRING MORE YOUNGER KMT MAINLANDER AND TAIWANESE POLITICIANS INTO THE CENTRAL GOVERNMENT. WE SHOULD BE PARTICULARLY SENSITIVE TO THOSE AT THE CABINET AND SUBS-CABINET LEVEL WHO MAY BE SHIFTED FROM ONE AREA OF RESPONSIBILITY TO ANOTHER, THEREBY BROADEN-
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ING THEIR UNDERSTANDING OF NATIONAL PROBLEMS. FROM THESE MEN ARE LIKELY TO COME THE AS YET UNIDENTIFIABLE YOUNGER LEADERS WHOM CCK MAY BE GROOMING AS POTENTIAL LONG-TERM SUCCESSORS AND WHO IN ANY CASE WILL BE AMONG THE LEADING CONTENDERS FOR POWER IN THE 1980'S. BY THE TIME OF THE 1984 NATIONAL ASSEMBLY MEETING, ONE OR MORE OF THESE NEW LEADERS COULD BE READY TO ASSUME A CONSTITUTIONALLY-RECOGNIZED POSITION OF POWER.

THE MILITARY AND SECURITY APPARATUS

33. WE SHOULD CONTINUE TO BE ALERT TO THE RISE OF NEW FACES IN THE MILITARY AND SECURITY APPARATUS, ESPECIALLY AT THE LEVELS OF SERVICE CINC, TGGH COMMANDER, CHIEF OF THE GENERAL STAFF, AND MINISTER OF NATIONAL DEFENSE. AT THE SAME TIME, ATTENTION SHOULD BE GIVEN TO THE ROLES AND ASPIRATIONS OF INDIVIDUALS WHO APPEAR TO BE ALREADY FIRMLY ENTRENCHED WITHIN THE SYSTEM AND WHO ARE POTENTIAL POWER-WIELDERS, SUCH AS NATIONAL SECURITY BUREAU DIRECTOR WANG YUNG-SHU (3769/3057/2885), GENERAL POLITICAL WARFARE DEPARTMENT DIRECTOR WANG SHENG, AND POSSIBLY CHIEF OF GENERAL STAFF LAI MING-TANG (6351/0682/3282). AS MENTIONED IN REF A, THE PREMIER'S HALF-BROTHER, CHIANG WEI-KUO (5592/4885/0948) ALSO CANNOT BE ENTIRELY RULED OUT OF THE RUNNING, BUT WE CONTINUE TO SEE HIM MORE AS A POSSIBLE FRONTMAN THAN AS A LEADER IN HIS OWN RIGHT.

CONCLUSION

34. IN THE ABOVE PRESENTATION THE EMBASSY HAS SET FORTH ITS VIEWS ON WHO WOULD BE LIKELY TO RULE TAIWAN FOLLOWING THE DEATH OR INCAPACITATION OF CCK IN THE YEARS AFTER 1978. THIS INCLUDES THE MANNER IN WHICH CCK WILL SEEK TO DESIGNATE A SUCCESSOR. WHILE WE HAVE OFFERED A VARIETY OF POSSIBLE CANDIDATES FOR THE SUCCESSORSHIP, ON THE BASIS OF PRESENTLY AVAILABLE INFORMATION WE MUST CONCLUDE THAT NONE OF THESE MEN HAS YET DISPLAYED THE LEADERSHIP QUALITIES NECESSARY TO GUIDE TAIWAN THROUGH THE UNCERTAINTIES OF THE FUTURE. THIS MAY BE BECAUSE THEY HAVE NOT HAD THE OPPORTUNITY TO DO SO, OR BECAUSE THEY LACK SUCH QUALITIES. INDEED, CCK'S APPARENT FAILURE SO FAR TO DESIGNATE AT LEAST TACITLY A SUCCESSOR

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MAY IN PART BE EXPLAINED BY HIS INABILITY TO IDENTIFY A MAN HE VIEWS AS POTENTIALLY COMENSURATE TO THE JOB.

35. SHOULD CCK DIE DURING A CRITICAL PERIOD, SUCH AS SHORTLY BEFORE OR AFTER THE US COMPLETES THE NORMALIZATION OF ITS RELATIONS WITH THE PRC, THE ABSENCE OF AN ABLE LEADER COULD PLACE THE CONTINUED STABILITY OF TAIWAN INTO SERIOUS JEOPARDY. UNDER PERIODS OF LESS STRAIN, HOWEVER, ANY OF SEVERAL OF THE ABOVE-MENTIONED POSSIBLE SUCCESSORS COULD PROBABLY SUCCESSFULLY GOVERN TAIWAN UNTIL SUCH TIME AS POWER IS RE-BROKERED AMONG THE VARIOUS POTENTIAL POWER-WIELDERS AND SOMEONE EMERGES AS THE NEW STRONG MAN.

EPILOGUE

36. THIS MESSAGE COMPLETES THE EMBASSY'S ASSESSMENT ON THE QUESTION OF SUCCESSION AND POSSIBLE FUTURE ACTIONS BY CCK TO INFLUENCE THE SUCCESSION PROCESS. IN THE THIRD AND FINAL PORTION OF THIS SERIES, WE WILL DISCUSS A SEPARATE BUT RELATED ISSUE -- THE FUTURE OF THE THREE CENTRAL PARLIAMENTARY BODIES.

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